

Prosecutor's Office of the Republic of Belarus

22, Internatsionalnaya Str.,

GSP 220050 Minsk

Tel: 00375-17-2264357

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To the Competent Judicial Authority
of the United States of America

Ref. № 25/183-2003

Minsk, December 23, 2004

Dear Sirs,

The Prosecutor's Office of the Republic of Belarus presents its compliments to the competent judicial authority of the United States of America and applies for legal assistance.

The Prosecutor's Office of the Republic of Belarus investigates criminal case № 02028110051 against some of the officials of the Belarusian Steel Works, initiated on corpus delicti provided in Clause 424, part 3 of the Criminal code of the Republic of Belarus (abuse of official powers causing grave consequences).

In the course of the preliminary investigation it became necessary to take some investigative actions on the territory of the United States of America.

Taking into account the above as well as the lack of treaty on legal assistance in criminal matters between the Republic of Belarus and the United States of America you are gently asked to organize on terms of reciprocity the execution of the enclosed request of the Prosecutor's Office of the Republic of Belarus for legal assistance in the mentioned criminal case.

Take all our gratitude in advance. If necessary the Prosecutor's Office of the Republic of Belarus is ready to render similar or other legal assistance to the competent judicial authorities of the United States of America.

Enclosure: on 17 pages.

Respectfully yours,

Deputy Prosecutor General
of the Republic of Belarus

/signature/

A.V.Ivanovsky

Official Seal of the Prosecutor's Office of the Republic of Belarus.

I, Dmitry G. Dmitriyev, translator of the international legal department of the Prosecutor's Office

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To the Competent Judicial Authority
of the United States of America

Ref. № 1102/229sl-2004

Minsk, December 22, 2004

Ref.: Legal assistance
in the criminal investigation

Dear Sirs,

The Prosecutor's Office of the Republic of Belarus presents its compliments to the competent judicial authority of the United States of America and has the honour to apply for legal assistance in the criminal case № 02028110051.

The present criminal case is being investigated by the investigative group of the Prosecutor's Office of the Republic of Belarus and was initiated pursuant to the Clause 424, part 3 of the Criminal code of the Republic of Belarus on the fact of abuses of official powers committed by some of the officials of the Republican Unitary Enterprise Belarusian Steel Works (hereinafter RUE BSW) causing grave consequences – damage in especially great amount for some millions of US dollars.

One of the episodes of the present criminal case is investigation of the circumstances of a bribe of 500 000 US dollars given in September 2002 by a Russian businessman Klemantovich S.P. to the Director General of the RUE BSW Fillippov V.V. and other officials of the works who decided on concluding the contracts for wittingly illegal sale of the steel cord of keen demand.

After giving the bribe of 500 000 US dollars Klemantovich S.P. became the sole dealer of the RUE BSW on behalf of a foreign company EL Petroleum LLC (USA) with the sole right to sell the steel cord on the Russian market as well as to realize merchantable off-set contracts for the supplied energy.

~~(Text of the Clauses 424 and 431 of the Criminal code of the Republic of Belarus is enclosed herewith).~~

In the course of the preliminary investigation we have also established that in 2002-2003 Klemantovich S.P. and a resident of Belarus Novik V.V., being part of an organized group on behalf of the company EL Petroleum LLC (USA), had been performing illegal entrepreneurial activity on the territory of Belarus consisting of fulfillment of the financial transactions and deals with securities with the Belarusian manufacturers on the territory of Belarus without State registration as an individual entrepreneur or State registration of a legal entity as an economic agent, attended by fraud and receiving a profit in great amount.

~~(Text of the Clauses 209 and 233 of the Criminal code of the Republic of Belarus is enclosed herewith).~~

According to the documents of the present criminal case the company EL Petroleum LLC is registered in the State of New York, USA at: 509, Madison Ave., Suite 612, New York, NY 10022. Mailing address is: International Corporate Consultants, INC., 509, Madison Ave., Suite 612, New York, NY 10022. Its registered agent International Corporate Consultants, INC., 805 Third Ave., 7th Floor, New York, NY 10022 acting in the person of its Director Raymond Terri Gibson, citizen of Great Britain, appointed on June 16, 1999 Sergei Klemantovich, citizen of Russia, born on January 28 1966, passport [REDACTED] a true and legal attorney of the Company with a signature right to perform and execute all or any of the actions or things stipulated in the power of attorney dated June 16, 1999. It was certified on the Isle of Guernsey by His Excellency Lieutenant Governor of the Isle of Guernsey under number [REDACTED] on July 1, 1999.

The criminal case materials show that the accounts of EL PETROLEUM LLC having legal address at: 805 Third Ave., 7th Floor, New York, NY 10022, USA, taxpayer number [REDACTED] are situated in RAIFFEISEN ZENTRALBANK VIENNA, AUSTRIA, EURO Acc. [REDACTED] and USD Acc. [REDACTED] and in AIG PRIVATE BANK LTD ZURICH Limmatquai 2 [REDACTED].

As a result of the illegal entrepreneurial activity performed in Belarus without registration of a permanent representative office of the company with the right of a legal entity in the appropriate State authorities Klemantovich S.P.,

~~Novik V.V. and other persons, acting on behalf of the company EL Petroleum LLC, received a profit for more than 27 000 000 US dollars.~~

At the same time the officials of the company EL Petroleum LLC did not pay taxes and charges to the Belarusian budget on income and profit received as a result of the company's entrepreneurial activity on the territory of Belarus, i.e. Klemantovich S.P. and Novik V.V. misappropriated by means of deception the money resources assigned to the budget of the Republic of Belarus as taxes and charges on income and profit received as a result of the company's entrepreneurial activity on the territory of Belarus.

The above actions of Klemantovich S.P. and Novik V.V. who acted on the territory of Belarus on behalf of the company EL Petroleum LLC have signs of a crime stipulated in Clause 209 of the Criminal code of the Republic of Belarus (fraud).

(Text of the Clause 209 of the Criminal code of the Republic of Belarus is enclosed herewith).

In the course of the preliminary investigation we have established that following a teletype message of the concern Belenergo № 2098 dated 06.09.2002 to clear off the debt to EL Petroleum LLC for the power energy supplied from Lithuania it was effectuated an offset settlement of similar counter demand of the debt of the RUE Baranovich cotton factory (town of Baranovich, Belarus) by delivering the production under the contracts with the company AVEA HOLDINGS LLC, 1220 N. Market Street, Suite 606, Wilmington DE 19801, USA:

- for 100 000 US dollars under the act of offset settlement of similar counter demand dated 09.09.2002 according to a teletype message № 2098 dated 06.09.2002;

- for 100 000 US dollars under the act of offset settlement of similar counter demand dated 26.09.2002 according to a teletype message № 2170 dated 24.09.2002;

- for 100 000 US dollars under the act of offset settlement of similar counter demand dated 26.09.2002 according to a teletype message № 2557 dated 26.10.2002;

- for 40 000 US dollars under the act of offset settlement of similar counter demand dated 26.11.2002 according to a teletype message № 23 dated 03.01.2003.

Taking into account the above, in order to conduct a detailed, complete and objective investigation of all the circumstances of crimes committed by

Klemantovich S.P. and Novik V.V. on the territory of Belarus you are requested to perform on terms of reciprocity the following investigative actions on the territory of the United States of America:

- to establish whether the company EL Petroleum LLC, legal address: 805 Third Ave., 7th Floor, New York, NY 10022, USA, taxpayer number [REDACTED]

is really registered in the USA;

- whether the company EL Petroleum LLC is a taxpayer in the USA;

- whether the company AVEA HOLDINGS LLC, legal address: 1220 N. Market Street, Suite 606, Wilmington DE 19801, USA is really registered in the USA;

- whether the company AVEA HOLDINGS LLC is a taxpayer in the USA;

- whether the cession of claim of the debt for a total amount of 340 000 US dollars to the RUE Baranovich cotton factory is mentioned in the documents of the companies EL Petroleum LLC and AVEA HOLDINGS LLC.

- to obtain written witness testimonies of the officials of the companies EL Petroleum LLC and AVEA HOLDINGS LLC showing them the documents enclosed herewith as for the circumstances of conclusion and signing of:

- act of offset settlement of similar counter demand for the supplied power energy № 13 dated 09.09.2002 with the participation of AVEA HOLDINGS LLC for 100 000 US dollars;

- act of offset settlement of similar counter demand for the supplied power energy № 15 dated 26.09.2002 with the participation of AVEA HOLDINGS LLC for 100 000 US dollars;

- acts of offset settlement of similar counter demand for the supplied power energy for 100 000 US dollars according to a teletype message № 2557 dated 26.10.2002 and № 23 dated 03.01.2003 for 40 000 US dollars;

- who of the officials of the companies EL Petroleum LLC and AVEA HOLDINGS LLC or the RUE Baranovich cotton factory initiated conclusion and signing of the above contracts;

- who, where, when participated in the negotiations and when signing the contracts on behalf of EL Petroleum LLC, AVEA HOLDINGS LLC and the RUE Baranovich cotton factory;

- did the companies EL Petroleum LLC and AVEA HOLDINGS LLC sign a cession contract (transfer of the creditor's rights to some other person) following the teletype messages № 2098 for 100 000 US dollars, № 2170 for 100 000 US dollars, № 2557 for 100 000 US dollars, № 23

for 40 000 US dollars of offset settlement for the supplied power energy by delivering the production.

- when and how were final payments performed and creditor debt closed between the companies EL Petroleum LLC and AVEA HOLDINGS LLC under the terms of cession of the claim to the RUE Baranovich cotton factory for a total amount of 340 000 US dollars.

2. To obtain certified copies of the cession contracts between the companies EL Petroleum LLC and AVEA HOLDINGS LLC (transfer of the creditor's rights to some other person) under the teletype messages № 2098 for 100 000 US dollars, № 2170 for 100 000 US dollars, № 2557 for 100 000 US dollars, № 23 for 40 000 US dollars of offset settlement for the supplied power energy by delivering the production.

- certified copies of the payment orders, invoices and other documents confirming that the settlements were made between the companies EL Petroleum LLC and AVEA HOLDINGS LLC (transfer of the creditor's rights of EL Petroleum LLC to some other person AVEA HOLDINGS LLC) under the teletype messages № 2098 for 100 000 US dollars, № 2170 for 100 000 US dollars, № 2557 for 100 000 US dollars, № 23 for 40 000 US dollars.

3. In there are no payment orders concerning money transfers, money settlements between the companies EL Petroleum LLC and AVEA HOLDINGS LLC under the teletype messages № 2098 for 100 000 US dollars, № 2170 for 100 000 US dollars, № 2557 for 100 000 US dollars, № 23 for 40 000 US dollars, you are requested to seize the bank and other documents confirming the settlements between the companies EL Petroleum LLC and AVEA HOLDINGS LLC what regards these sums.

4. To perform other procedural actions according to law in force of the United States of America, probably necessary for executing the present request in full.

Please accept my assurances and guarantees that all evidences collected in the course of the execution of the present request for legal assistance will be used only for the purposes of the investigation of the criminal case № 02028110051 and will not infringe the rights and interests of any third party. We also guarantee that the received documents will be kept confidential.

Dear Sirs,

The investigative group of the Prosecutor's Office of the Republic of Belarus is interested in your considering of the present request at earliest possible time and is ready, if required, to provide you with additional information in the present criminal case. We would appreciate if you informed us of such a necessity in advance.

Feel free to contact us by tel.: 10-375-17-226-41-60, 10-375-17-226-51-05, fax: 10-375-17-223-56-86.

Enclosures: 1. *Extracts from the Clauses of the Criminal code of the Republic of Belarus.*

2. *teletype message № 2098, act №313/kc, teletype message № 2170, , act №315, teletype message № 2557, teletype message № 23.*

Respectfully yours,

Chief of the investigative group –
Deputy Head of the Organized Crime
and Corruption Investigative Division
of the Prosecutor's Office of Belarus

/signature/ I.I. Branchel

Official Seal of the Prosecutor's Office of the Republic of Belarus

I, Dmitry G. Dmitrouk, translator of the international legal department of the Prosecutor's office of the Republic of Belarus, do hereby certify that this is a true and correct translation from